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PROPOSED CENTRAL INTELLIGENCE AGENCY, FOREIGN SERVICE, AND CIVIL SERVICE RETIREMENT SYSTEMS

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<u>Subject</u>	<u>Proposed CIAR Act</u>	<u>Foreign Service Act</u>	<u>CSR Act</u>
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<u>Subject</u>	<u>Proposed CIAR Act</u>	<u>Foreign Service Act</u>	<u>CSR Act</u>
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<u>Subject</u>	<u>Proposed CIAR Act</u>	<u>Foreign Service Act</u>	<u>CSR Act</u>
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COMPARISON OF TEXTS OF PROPOSED CENTRAL INTELLIGENCE AGENCY RETIREMENT  
ACT AND PERTINENT PROVISIONS OF THE FOREIGN SERVICE ACT AND THE CIVIL SERVICE RETIREMENT ACT

Proposed CIA Retirement Act

Foreign Service Act

Civil Service Retirement Act

**TITLE I - SHORT TITLE AND DEFINITIONS**

**Part A - SHORT TITLE**

Sec. 101. Titles I to III inclusive of this Act may be cited as the "Central Intelligence Agency Retirement Act of 1963".

Sec. 101. Titles I to X, inclusive, of this Act may be cited as the "Foreign Service Act of 1946".

Sec. 19. This Act may be cited as the "Civil Service Retirement Act".

**Part B - DEFINITIONS**

Sec. 111. When used in this Act, the following--  
(1) "Agency" means the Central Intelligence Agency; and  
(2) "Director" means the Director of Central Intelligence or the Deputy Director of Central Intelligence.

(Provisions not comparable)

(Provisions not comparable)

**TITLE II - THE CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM**

**Part A - ESTABLISHMENT OF SYSTEM**

**Rules and Regulations**

Sec. 201. (a) The Director may prescribe rules and regulations for the establishment of a Central Intelligence Agency Retirement and Disability System for a limited number of employees, referred to hereafter as the system.

**TITLE VIII - THE FOREIGN SERVICE RETIREMENT AND DISABILITY SYSTEM**

(Not comparable)

Sec. 801. (a) The President may prescribe rules and regulations for the maintenance of a Foreign Service Retirement and Disability System, originally established by section 18 of the Act of May 24, 1924 (43 Stat. 144), referred to hereafter as the System.

Sec. 16. (a) This Act shall be administered by the Commission. Except as otherwise specifically provided herein, the Commission is hereby authorized and directed to perform, or cause to be performed, any and all acts and to make such rules and regulations as may be necessary and proper for the purpose of carrying the provisions of this Act into full force and effect.

Proposed CIA Retirement Act

Sec. 201. (b) The Director shall administer the system in accordance with such rules and regulations and with the principles established by this Act.

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(c) In the interests of the security of the foreign intelligence activities of the United States and in order further to implement the proviso of section 102(d)(3) of the National Security Act of 1947, as amended, (50 U.S.C. 403(d)(3)) that the Director of Central Intelligence shall be responsible for protecting intelligence sources and methods from unauthorized disclosure, and notwithstanding the provisions of the Administrative Procedure Act (5 U.S.C. 1001 et seq.) or any other provisions of law, any determinations by the Director authorized by the provisions of this title shall be deemed to be final and conclusive and not subject to review by any court.

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Foreign Service Act

Sec. 801. (b) The Secretary shall administer the System in accordance with such rules and regulations and with the principles established by this Act.

(No comparable provision in the Foreign Service Act.)

Civil Service Retirement Act

Sec. 16. (a) (See immediately above.)

(b) Applications under this Act shall be in such form as the Commission shall prescribe, and shall be supported by such certificates from departments or agencies as the Commission may deem necessary to the determination of the rights of applicants. The Commission shall adjudicate all claims under this Act.

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(c) Questions of dependency and disability arising under this Act shall be determined by the Commission and its decisions with respect to such matters shall be final and conclusive and shall not be subject to review. The Commission may order or direct at any time such medical or other examinations as it shall deem necessary to determine the facts relative to the disability or dependency of any person receiving or applying for annuity under this Act, and may suspend or deny any such annuity for failure to submit to any such examination.

(d) An appeal to the Commission shall lie from any administrative action or order affecting the rights or interests of any person or of the United States under this Act, the procedure on appeal to be prescribed by the Commission.

Proposed CIA Retirement Act

Establishment and Maintenance of Fund

Sec. 202. There is hereby created a fund to be known as the Central Intelligence Agency Retirement and Disability Fund which shall be maintained by the Director. The Central Intelligence Agency Retirement and Disability Fund is referred to hereafter in this title as the fund.

Foreign Service Act

Sec. 802. The Secretary of the Treasury shall maintain the special fund, known as the Foreign Service Retirement and Disability Fund, referred to hereafter as the Fund, originally constituted by section 18 of the Act of May 24, 1924 (43 Stat. 144).

Civil Service Retirement Act

Sec. 1. (f) The term "fund" shall mean the civil service retirement and disability fund created by the Act of May 22, 1920.

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Participants

Sec. 203. The Director may designate from time to time such Agency officers and employees, hereafter referred to as participants, who shall be entitled to the benefits of the system. Any participant who has completed fifteen years of service with the Agency and whose career at that time is adjudged by the Director to be qualifying for the system may elect to remain a participant of such system for the duration of his employment by the Agency.

Sec. 803(a) The following persons, hereafter referred to as participants, shall be entitled to the benefits of the System:

(1) All Foreign Service officers;  
(2) All other persons making contributions to the Fund on the effective date of this Act;

(3) Any chief of mission who is not otherwise entitled to be a participant and who fulfills the conditions of paragraph (b) of this section;

(b) A person to become a participant in accordance with the provisions of paragraphs (a)(3) of this section must-

(1) have served as chief of mission for an aggregate period of twenty years or more, exclusive of extra service credit in accordance with the provisions of section 853; and

(2) have paid into the Fund a special contribution for each year of such service in accordance with the provisions of section 852(b).

(c)(1) In accordance with such regulations as the President may prescribe, any Foreign Service staff officer or employee appointed by the Secretary of State who has completed at least ten years of continuous service in the Department's Foreign Service, exclusive of military service, shall become a participant in the System and shall make a special contribution to the Fund in accordance with the provisions of section 852.

Sec. 803(c)(2) & (3) relate to the retirement of participants under section 803(c)(1).

Sec. 2. (a) This Act shall apply to each employee and Member, except as hereinafter provided.

Sec. 1(a). The term "employee" shall mean a civilian officer or employee in or under the Government and, except for purposes of section 2, shall mean a person to whom this Act applies.

(b) The term "Member" shall mean the Vice President, a United States Senator, Representative in Congress, Delegate from a Territory, or the Resident Commissioner from Puerto Rico, and, except for purposes of section 2, shall mean a Member to whom this Act applies.

(c) --Defines "congressional employee".

(b) This Act shall not apply to the President, to any judge of the United States as defined under section 451 of title 28 of the United States Code, or to any employee of the Government subject to another retirement system for Government employees. (Underscored supplied)

Sec. 2(d) and (e) concern Members and congressional employees. Section 2(e) authorizes exclusion of temporary or intermittent employees.

Section 2(f) excludes specified categories of temporary or intermittent employees. Section 2(g) applies to Civil Service Commissioners. Section 2(h) applies to specified persons who are

employed by county committees under the Soil Conservation and Domestic Allotment Act.

Proposed CIA Retirement Act

Annuity

Sec. 204. (a) Annuity shall be payable to participants who are receiving annuities from the fund and all persons, including surviving wives and husbands, widows, dependent widowers, children, and beneficiaries of participants or annuitants who shall become entitled to receive annuities in accordance with the provisions of this Act.

(b) When used in this title the term--

(1) "Widow" means the surviving wife of a participant who was married to such participant for at least two years immediately preceding his death or who is the mother of issue by such marriage.

(2) "Dependent widower" means the surviving husband of a participant who was married to such participant for at least two years immediately preceding her death or who is the father of issue by such marriage, and who is incapable of self-support by reason of mental or physical disability, and who received more than one-half of his support from such participant.

Foreign Service Act

Sec. 804. (a) Annuity shall be payable to persons who are receiving annuities from the Fund and all persons, including surviving wives and husbands, widows, dependent widowers, children and beneficiaries of participants or annuitants who shall become entitled to receive annuities in accordance with the provisions of this Act, as amended, or in accordance with the provisions of section 5 of the Act of May 1, 1956 (70 Stat. 125).

(b) When used in this title the term--

(1) "Widow" means the surviving wife of a participant who was married to such participant for at least two years immediately preceding his death or is the mother of issue by such marriage.

(2) "Dependent widower" means the surviving husband of a participant who was married to such participant for at least two years immediately preceding her death or is the father of issue by such marriage, and who is incapable of self-support by reason of mental or physical disability, and who received more than one-half of his support from such participant.

Civil Service Retirement Act

Sec. 1. (n) The term "annuitant" shall mean any former employee or Member who, on the basis of his service, has met all requirements of the Act for title to annuity and has filed claim therefor.

(e) The term "survivor" shall mean a person who is entitled to annuity under this Act based on the service of a deceased employee or Member or of a deceased annuitant.

(p) The term "survivor annuitant" shall mean a survivor who has filed claim for annuity.

Sec. 1. (h) The term "widow", for purposes of section 10, shall mean the surviving wife of an employee or Member who was married to such individual for at least two years immediately preceding his death or is the mother of issue by such marriage.

(1) The term "widower", for purposes of section 10, shall mean the surviving husband of an employee or Member who was married to such employee or Member for at least two years immediately preceding her death or is the father of issue by such marriage. The term "dependent widower", for purposes of section 10, shall mean a "widower" who is incapable of self-support by reason of mental or physical disability, and who received more than one-half his support from such employee or Member.

Proposed CIA Retirement Act

Sec. 204. (b) (cont'd)

(3) "Child" means an unmarried child, under the age of eighteen years, or such unmarried child regardless of age who, because of physical or mental disability incurred before age eighteen, is incapable of self-support. In addition to the offspring of the participant and his or her spouse, the term includes (a) an adopted child, and (11) a stepchild or recognized natural child who received more than one-half of his support from the participant.

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Foreign Service Act

Sec. 804. (b) (cont'd)

(3) "Child" means an unmarried child, under the age of eighteen years, or such unmarried child regardless of age who because of physical or mental disability incurred before age eighteen is incapable of self-support. In addition to the offspring of the participant and his or her spouse the term includes (a) an adopted child, and (b) a step-child or recognized natural child who received more than one-half of his support from the participant.

Civil Service Retirement Act

Sec. 1. (cont'd)

(j) The term "child", for purposes of section 10, shall mean an unmarried child, including (1) an adopted child, and (2) a stepchild or recognized natural child who received more than one-half his support from and lived with the Member or employee in a regular parent-child relationship, under the age of eighteen years, or such unmarried child regardless of age who because of physical or mental disability incurred before age eighteen is incapable of self-support, or such unmarried child between eighteen and twenty-one years of age who is a student regularly pursuing a full-time course of study or training in residence in a high school, trade school, technical or vocational institute, junior college, college, university, or comparable recognized educational institution. A child whose twenty-first birthday occurs prior to July 1 or after August 31 of any calendar year, and while he is regularly pursuing such a course of study or training, shall be deemed for the purposes of this paragraph and section 10(d) to have attained the age of twenty-one on the first day of July following such birthday. A child who is a student shall not be deemed to have ceased to be a student during any interim between school years if the interim does not exceed four months and if he shows to the satisfaction of the Commission that he has a

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Part B - COMPULSORY CONTRIBUTIONS

Sec. 211. (a) Six and one-half per centum of the basic salary received by each participant shall be contributed to the fund for the payment of annuities, cash benefits, refunds, and allowances. An equal sum shall also be contributed from the respective appropriation or fund which is used for payment of his salary. The amounts deducted and withheld from basic salary together with the amounts so contributed from the appropriation or fund, shall be deposited by the Agency to the credit of the fund.

Sec. 811. (a) Six and one-half per centum of the basic salary received by each participant shall be contributed to the Fund for the payment of annuities, cash benefits, refunds, and allowances. An equal sum shall also be contributed from the respective appropriation or fund which is used for payment of his salary. The amounts deducted and withheld from basic salary together with the amounts so contributed from the appropriation or fund, shall be deposited by the Department of State in the Treasury of the United States to the credit of the Fund.

Sec. 1. (j)(cont'd)

bona fide intention of continuing to pursue a course of study or training in the same or different school during the school semester (or other period into which the school year is divided) immediately following the interim.

Approved

Sec. 4. (a) From and after the first day of the first pay period which begins on or after the effective date of the Civil Service Retirement Act, amendments of 1956, there shall be deducted and withheld from each employee's basic salary an amount equal to  $6\frac{1}{2}$  per centum of such basic salary and from each Member's basic salary an amount equal to  $7\frac{1}{2}$  per centum of such basic salary. From and after the first day of the first pay period which begins after June 30, 1957, an equal sum shall also be contributed from the respective appropriation or fund which is used for payment of his salary, pay or compensation, or in the case of an elected official, from such appropriation or fund as may be available for payment of other salaries of the same office or establishment. The amounts so deducted and withheld by each department or agency, together with the amounts so contributed, shall, in accordance with such procedures as may be prescribed by the Comptroller General of the United States, be deposited by the department or agency in the Treasury of the United States to the credit of

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Proposed CIA Retirement Act

PART C - COMPUTATION OF ANNUITIES

Sec. 221. (a) The annuity of a participant shall be equal to 2 per centum of his average basic salary for the highest five consecutive years of service, for which full contributions have been made to the fund, multiplied by the number of years, not exceeding thirty-five, of service credit obtained in accordance with the provisions of sections 251 and 252. In determining the aggregate period of service upon which the annuity is to be based, the fractional part of a month, if any, shall not be counted.

Foreign Service Act

Sec. 821. (a) The annuity of a participant shall be equal to 2 per centum of his average basic salary for the highest five consecutive years of service, for which full contributions have been made to the fund, multiplied by the number of years, not exceeding thirty-five, of service credit obtained in accordance with the provisions of sections 851, 852, and 853. However, the highest five years of service for which full contributions have been made to the Fund shall be used in computing the annuity of any participant who serves as chief of mission and whose continuity of service as such is interrupted prior to retirement by appointment or assignment to any other position determined by the Secretary to be of comparable importance. In determining the aggregate period of service upon which the annuity is to be based, the fractional part of a month, if any, shall not be counted.

Civil Service Retirement Act

Sec. 1. (e) The term "average salary" shall mean the largest annual rate resulting from averaging, over any period of five consecutive years of creditable service, or at a Member's option over all periods of Member service subsequent to the date of enactment of the Legislative Reorganization Act of 1946 used in the computation of an annuity under this Act, a Member's or an employee's rates of basic salary in effect during such period, with each rate weighted by the time it was in effect. (Underlining supplied.)

Sec. 9. (a) Except as otherwise provided in this section, the annuity of an employee retiring under this Act shall be (1) the larger of (A)  $1\frac{1}{2}$  per centum of the average salary multiplied by so much of the total service as does not exceed five years, or (B) 1 per centum of the average salary, plus \$25, multiplied by so much of the total service as does not exceed five years, plus (2) the larger of (A)  $1\frac{3}{4}$  per centum of the average salary multiplied by so much of the total service as exceeds five years but does not exceed ten years, or (B) 1 per centum of the average salary, plus \$25, multiplied by so much of the total service as exceeds five years but does not exceed ten years, plus (3) the larger

Sec. 9(a) (cont'd)  
of (A) 2 per centum of the average salary multiplied by so much of the total service as exceeds ten years, or (B) 1 per centum of the average salary, plus \$25, multiplied by so much of the total service as exceeds ten years: Provided, That the annuity shall not exceed 80 per centum of the average salary: Provided further, That the annuity of an employee retiring under section 7 [disability retirement] shall be at least (1) 40 per centum of the average salary or (2) the sum obtained under this subsection after increasing his total service by the period elapsing between the date of separation and the date he attains the age of sixty years, whichever is the lesser, but this proviso shall not increase the annuity of any survivor.  
[Section 9(b) deals with the annuity of a congressional employee. Section 9(c) deals with the annuity of a Member. Section 9(d) deals with the reduction in annuity of an employee retiring under age 60. Section 9(e) deals with the annuity of an employee retiring under section 6(o) which makes special provision for "BFL-type" employees.]

(f) The annuity as hereinbefore provided shall be reduced by 10 per centum of any deposit described in section 4(o) remaining unpaid, unless the employee or Member shall elect to eliminate the service involved for the purposes of annuity computation.

Proposed CIA Retirement Act

Foreign Service Act

Civil Service Retirement Act

Sec. 3. (f) An employee must have completed at least five years of civilian service before he shall be eligible for annuity under this Act.

(g) An employee or Member must have, within the two-year period preceding any separation from service, other than a separation by reason of death or disability, completed at least one year of creditable civilian service during which he was subject to this Act before he or his survivors shall be eligible for annuity under this Act based on such separation. If any employee or Member, other than an employee or Member separated from the service by reason of death or disability, fails to meet the service requirement of the preceding sentence, the amounts deducted from his salary during his period of service for which no eligibility for annuity is established based on such separation shall be returned to him upon such separation. Failure to meet this service requirement shall not deprive the individual or his survivors of any annuity rights which attached upon a previous separation. (Undersecretary supplied)



Proposed CIA Retirement Act

No comparable provision.

Foreign Service Act

No comparable provision.

Civil Service Retirement Act

Sec. 11. (h)(1) Any amounts deducted and withheld from the basic salary of an employee or Member from the first day of the first month which begins after he shall have performed sufficient service (exclusive of any service which the employee or Member elects to eliminate for purposes of annuity computation under section 9) to entitle him to the maximum annuity provided by section 9, together with interest on such amounts at the rate of 3 per centum per annum compounded annually from the date of such deductions up to the date of retirement or death, shall be applied toward any deposits due under section 4, and any balance not so required shall be deemed to be a voluntary contribution for the purposes of section 12. (Under-scoring supplied.)

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Proposed CIA Retirement Act

Sec. 221. (b) At the time of retirement, any married participant may elect to receive a reduced annuity and to provide for an annuity payable to his wife or her husband, commencing on the date following such participant's death and terminating upon the death of such surviving wife or husband. The annuity payable to the surviving wife or husband after such participant's death shall be 50 per centum of the amount of the participant's annuity computed as prescribed in paragraph (a) of this section, up to the full amount of such annuity specified by him as the base for the survivor benefits. The annuity of the participant making such election shall be reduced by  $2\frac{1}{2}$  per centum of any amount up to \$2,400 he specifies as the base for the survivor benefit plus 10 per centum of any amount over \$2,400 so specified.

Foreign Service Act

Sec. 821. (b) At the time of retirement, any married participant may elect to receive a reduced annuity and to provide for an annuity payable to his wife or her husband, commencing on the date following such participant's death and terminating upon the death of such surviving wife or husband. The annuity payable to the surviving wife or husband after such participant's death shall be 50 per centum of the amount of the participant's annuity computed as prescribed in paragraph (a) of this section, up to the full amount of such annuity specified by him as the base for the survivor benefits. The annuity of the participant making such election shall be reduced by  $2\frac{1}{2}$  per centum of any amount up to \$2,400 he specifies as the base for the survivor benefit plus 10 per centum of any amount over \$2,400 so specified.

Civil Service Retirement Act

Sec. 10. (a)(1) If an employee or Member dies after having retired under any provision of this Act and is survived by a wife or husband to whom the employee or Member was married at the time of retirement, such wife or husband shall be paid an annuity equal to 55 per centum of an annuity computed as provided in subsections (a), (b), (c), (d), (e), and (f) of section 9, as may apply with respect to the annuitant, or of such portion thereof as may have been designated in writing for such purpose by the employee or Member at the time of retirement, unless the employee or Member has notified the Commission in writing at the time of retirement that he does not desire his wife or husband to receive such annuity.

(2) An annuity computed under this subsection shall commence on the day after the retired employee or member dies, and such annuity or any right thereto shall terminate on the last day of the month before the survivor's death or remarriage.

Sec. 9. (g) The annuity as hereinbefore provided (excluding any increase because of retirement under section 7 [Disability retirement] for any married employee or Member retiring under this Act, or for any portion of such annuity designated in writing for purposes of section 10(a)(1)), shall be reduced by  $2\frac{1}{2}$  per centum of so much thereof as does not exceed \$3,600 and by 10 per centum of so much thereof as

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Foreign Service Act

Civil Service Retirement Act

Approved

Sec. 221. (c)(1) If an annuitant dies and is survived by a wife or husband and by a child or children, in addition to the annuity payable to the surviving wife or husband, there shall be paid to or on behalf of each child an annuity equal to the smallest of: (i) 40 per centum of the annuitant's average basic salary, as determined under paragraph (a) of this section, divided by the number of children; (ii) \$600; or (iii) \$1,800 divided by the number of children.

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(2) If an annuitant dies and is not survived by a wife or husband but by a child or children, each surviving child shall be paid an annuity equal to the smallest of (i) 50 per centum of the annuitant's average basic salary, as determined under paragraph (a) of this section, divided by the number of children; (ii) \$720; or (iii) \$2,160 divided by the number of children.

Sec. 821. (c)(1) If an annuitant dies and is survived by a wife or husband and by a child or children, in addition to the annuity payable to the surviving wife or husband, there shall be paid to or on behalf of each child an annuity equal to the smallest of: (i) 40 per centum of the annuitant's average basic salary, as determined under paragraph (a) of this section, divided by the number of children; (ii) \$600; or (iii) \$1,800 divided by the number of children.

(2) If an annuitant dies and is not survived by a wife or husband but by a child or children, each surviving child shall be paid an annuity equal to the smallest of: (i) 50 per centum of the annuitant's average basic salary, as determined under paragraph (a) of this section, divided by the number of children; (ii) \$720; or (iii) \$2,160 divided by the number of children.

Sec. 9(g) (cont'd)

exceeds \$3,600 unless the employee or Member notifies the Commission in writing at the time of retirement that he does not desire his wife or husband to receive an annuity as provided in section 10(a)(1).

Approved  
Sec. 10. (d) If an employee or a Member dies after completing at least five years of civilian service, or an employee or a Member dies after having retired under any provision of the Act, and is survived by a wife or by a husband, each surviving child who receives more than one-half of his support from such employee or Member shall be paid an annuity equal to the smallest of (1) 40 per centum of the employee's or Member's average salary divided by the number of children, (2) \$600, or (3) \$1,800 divided by the number of children.

If such employee or Member is not survived by a wife or husband, each surviving child shall be paid an annuity equal to the smallest of (1) 50 per centum of the employee's or Member's average salary divided by the number of children, (2) \$720, or (3) \$2,160 divided by the number of children. The child's annuity shall commence on the day after the employee or Member dies, and such annuity granted under this Act or under the Act of May 29, 1930, as amended from and after February 28, 1948, or any right thereto shall terminate on the last day of the

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Sec. 221. (c) If a surviving wife or husband dies or the annuity of a child is terminated, the annuities of any remaining children shall be recomputed and paid as though such wife, husband, or child had not survived the participant.

(d) The annuity payable to a child under paragraph (c) or (d) of this section shall begin on the first day of the next month after the participant dies and such annuity or any right thereto shall be terminated upon death, marriage, or attainment of the age of eighteen years, except that, if a child is incapable of self-support by reasons of mental or physical disability, the annuity shall be terminated only when such child dies, marries, or recovers from such disability.

Sec. 821. (d) If a surviving wife or husband dies or the annuity of a child is terminated, the annuities of any remaining children shall be recomputed and paid as though such wife, husband, or child had not survived the participant.

(e) The annuity payable to a child under paragraph (c) or (d) of this section shall begin on the first day of the next month after the participant dies and such annuity or any right thereto shall be terminated upon death, marriage, or attainment of the age of eighteen years, except that, if a child is incapable of self-support by reasons of mental or physical disability, the annuity shall be terminated only when such child dies, marries, or recovers from such disability.

Sec. 10(d)(cont'd)  
month before (1) his attaining age eighteen unless incapable of self-support, (2) his becoming capable of self-support after age eighteen, (3) his marriage, or (4) his death, except that the annuity of a child who is a student as described in section 1(j) shall terminate on the last day of the month before (1) his marriage, (2) his death, (3) his ceasing to be such a student, or (4) his attaining age twenty-one. Upon the death of the surviving wife or husband or termination of the annuity of the child, the annuity of any other child or children shall be recomputed and paid as though such wife, husband, or child had not survived the employee or Member.

See Sec. 10(d) above beginning on page 12 at "The child's annuity shall commence on the day after the employee or Member dies" and continuing through "(3) his ceasing to be a student, or (4) his attaining age twenty-one" immediately above.

Proposed CIA Retirement Act

Sec. 221. (f) Any unmarried participant retiring under the provisions of this Act and found by the Director to be in good health may at the time of retirement elect a reduced annuity, in lieu of the annuity as hereinbefore provided, and designate in writing a person having an insurable interest (as that term is used in 5 U.S.C. 2259(h)) in the participant to receive an annuity after the participant's death. The annuity payable to the participant making such election shall be reduced by 10 per centum of an annuity computed as provided in paragraph (a) of this section, and by 5 per centum of an annuity so computed for each full five years the person designated is younger than the participant, but such total reduction shall not exceed 40 per centum. The annuity of a survivor designated under this paragraph shall be 50 per centum of the reduced annuity computed as prescribed above. The annuity payable to a beneficiary under the provisions of this paragraph shall begin on the first day of the next month after the death of the participant. Upon the death of the surviving beneficiary all payments shall cease and no further annuity payments authorized under this paragraph shall be due or payable.

Foreign Service Act

Sec. 821. (f) At the time of retirement an unmarried participant may elect to receive a reduced annuity and provide for an annuity equal to 50 per centum of the reduced annuity payable after his or her death to a beneficiary whose name shall be designated in writing to the Secretary. The annuity payable to a participant making such election shall be reduced by 10 per centum of an annuity computed as provided in paragraph (a) of this section and by 5 per centum of an annuity so computed for each full five years the person designated is younger than the retiring participant, but such total reduction shall not exceed 40 per centum. No such election of a reduced annuity payable to a beneficiary shall be valid until the participant shall have satisfactorily passed a physical examination as prescribed by the Secretary. The annuity payable to a beneficiary under the provisions of this paragraph shall begin on the first day of the next month after the participant dies. Upon the death of the surviving beneficiary all payments shall cease and no further annuity payments authorized under this paragraph shall be due or payable.

Civil Service Retirement Act

Sec. 9. (h) Any unmarried employee or Member retiring under section 6 or 8, and found by the Commission to be in good health, may at the time of retirement elect a reduced annuity in lieu of the annuity as hereinbefore provided, and designate in writing a person having an insurable interest in the employee or Member to receive an annuity after the retired individual's death. The annuity payable to the employee or Member making such election shall be reduced by 10 per centum of an annuity computed as provided in section 9 and by 5 per centum of an annuity so computed for each full five years the person designated is younger than the retiring employee or Member, but such total reduction shall not exceed 40 per centum.

Sec. 10. (b) The annuity of a survivor designated under section 9 shall be 55 per centum of the reduced annuity computed as provided in subsections (a), (b), (c), (d), (e), (f), and (h) of section 9 as may apply with respect to the annuitant. The annuity of such survivor shall commence on the day after the retired employee or Member dies, and such annuity or any right thereto shall terminate on the last day of the month before the survivor's death.